



Irish Life Weekly Investment Bulletin

The week that was – WEEK 03 2018 (ending 19/01/2018)

“The way to know life is to love many things.” – Vincent Van Gogh

Irish unemployment down to 6.2% in December 2017 – The latest report by the Central Statistics Office shows that the seasonally adjusted unemployment rate fell to 6.2% (5.8% females / 6.6% males / youth unemployment rate of 13.7%) in December, down from 6.4% in November and 7.5% in December 2016.

U.S. government shutdown in Senate impasse – A government shutdown officially began at 12:01 a.m. on Saturday in a Senate row between the Democrats and most Republicans about the Deferred Action for Childhood Arrivals (DACA) immigrant programme. The last shutdown was in 2013, and lasted for 16 days.

Global stock market up 0.8% on the week – The MSCI AC World TR Index showed a 0.84% rise from 12th January to 19th January to continue the positive momentum seen so far in 2018, supported by healthy global growth and solid corporate earnings. Volatility (VIX) finished the week at 11.27, up from 10.16 on 12th January.

U.S. jobless claims fall to 45-year low – The Labor Department reported that initial claims for state unemployment benefits dropped 41,000 to a seasonally adjusted 220,000 for the week ended January 13, the lowest level since February 1973. The unemployment rate is showing as 4.1%, the lowest level in 17 years.

UK retail sales show largest loss since the Brexit referendum – The Office for National Statistics has reported the volume of goods bought fell by 1.5% compared with November, the biggest month-on-month decline since June 2016, when the UK voted to leave the EU. 2017 was the weakest year for retail since 2013.

China GDP rises for the first time in seven years in 2017 – The National Bureau of Statistics reported that China's economy rose 6.9%, up from 6.7% in 2016 and the first annual growth rise since 2010. Much of last year's growth was export-led. Growth in 2018 is expected to be lower because of government crackdowns.

The Story of the week: A man in Canada - Simon Laprise, a 33-year-old machinist - and local police had a good laugh after the Montreal resident fooled officers with a full-size model of a DeLorean DMC-12 car made entirely of snow which 'he parked' in the middle of a 'no parking' zone. The snow-sculpted car, made famous by the "Back to the Future" film series, drew the attention of police officers who were initially fooled but when they realised there was no car under the snow pile, they gave a fake parking ticket that read, "You made our night hahahahaha :)".

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment and has not been prepared based on the financial needs or objectives of any particular person. It is intended for the use of institutional and other professional investors. Past performance and forecasts may not be a reliable guide to future performance and performance may fall as well as rise. Changes in currency exchange rates may have an adverse effect on the value, price or income of any investment asset.

Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 19/01)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	4.4
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	1.5
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	0.6
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	4.2
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	5.2
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	6.3
Nikkei 225	56.7	7.1	9.1	0.4	19.1	4.6
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	5.5
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.0
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.6
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	2.0
Greece	8.2	9.6	7.9	7.1	4.1	3.9
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.4
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.50
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.23
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.39
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	6.9% (to end of Q3)
U.K.	2.7	10.7	17.8	13.1	3.6	7.1% (to end of Q3)
U.S.	5.3	11.4	11.2	12.1	7.8	5.0% (to end of Q3)

*Past performance is not a reliable guide to future performance